

# STATE OF FLORIDA AUDITOR GENERAL

## Operational Audit

Report No. 2026-120  
March 2026

### DEPARTMENT OF FINANCIAL SERVICES

Division of Unclaimed Property  
and Information Technology Controls



Sherrill F. Norman, CPA  
Auditor General

## Chief Financial Officer

Pursuant to Article IV, Sections 4(c) and 5(a) of the State Constitution, the Chief Financial Officer is an elected member of the Cabinet and serves as the chief fiscal officer of the State. Pursuant to Section 20.121(1), Florida Statutes, the Chief Financial Officer is the head of the Department of Financial Services. The Honorable Jimmy Patronis served as Chief Financial Officer during the period of our audit.

The Auditor General conducts audits of government entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Maria Garcia-Soriano, CPA, and the audit was supervised by Aaron Franz, CPA.

Please address inquiries regarding this report to Karen Van Amburg, CPA, Audit Manager, by e-mail at [karevanamburg@aud.state.fl.us](mailto:karevanamburg@aud.state.fl.us) or by telephone at (850) 412-2766.

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# DEPARTMENT OF FINANCIAL SERVICES

## Division of Unclaimed Property and Information Technology Controls

### **SUMMARY**

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This operational audit of the Department of Financial Services (Department) focused on the Division of Unclaimed Property (Division) and related information technology controls. Our audit disclosed the following:

**Finding 1:** Due to an Unclaimed Property Management Information System (UPMIS) coding error, the Division did not always assess late reporting and payment and delivery penalties and interest to unclaimed property holders in accordance with State law and Department rules. Since July 2018, the potential unassessed penalties and interest totaled approximately \$803,155.

**Finding 2:** Division security controls related to the unclaimed property vault need improvement.

**Finding 3:** Certain security controls related to UPMIS user authentication need improvement.

**Finding 4:** Controls over employee access to UPMIS need improvement to help prevent any improper or unauthorized use of access privileges.

### **BACKGROUND**

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The Department of Financial Services (Department) is responsible for a broad range of financial, regulatory, and consumer protection activities. To carry out these activities, the Department is statutorily<sup>1</sup> organized into one office and 12 divisions, including the Division of Unclaimed Property (Division). For the 2024-25 fiscal year, the Legislature appropriated approximately \$626 million to the Department and authorized 2,006.5 positions, including 65 positions assigned to the Division.

### **FINDINGS AND RECOMMENDATIONS**

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State law<sup>2</sup> requires unclaimed property assets to be held by businesses or government entities (holders) for a set time, usually 5 years. If a holder is unable to locate, re-establish contact with the owner, and return the asset, they are to report the property to the Division utilizing the Division's Unclaimed Property Management Information System (UPMIS), and remit the asset to the Division.

As of October 2025, the Department held unclaimed property claimable accounts valued at \$2 billion, mostly from dormant accounts in financial institutions, insurance and utility companies, and securities and trust holdings. In addition to cash and securities, unclaimed property includes tangible property such as watches, jewelry, coins, stamps, historical items, and other miscellaneous articles from abandoned safe deposit boxes. Until claimed, all funds received by the Division are deposited into the State School Trust Fund for public education use. Claims for property in the custody of the Division can be submitted either by mail on a form generated by UPMIS, or directly into UPMIS via the Division's Web site. The

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<sup>1</sup> Section 20.121, Florida Statutes.

<sup>2</sup> Chapter 717, Florida Statutes.

Department reported that more than \$58 million in unclaimed property was returned to individuals during September 2025.

### **Finding 1: Holder Reporting Penalties and Interest**

State law<sup>3</sup> requires holders of unclaimed property to file a report with the Division before May 1st each year to inform the Division of all property that became dormant in the preceding calendar year and simultaneously pay or deliver to the Division all unclaimed property required to be reported. Upon written request and showing good cause, the Division may extend the reporting date.<sup>4</sup> State law<sup>5</sup> authorizes the Division to impose a penalty of \$10 per day, up to a maximum of \$500, for the failure to timely report, if an extension was not provided or if the holder of the property failed to include in a report information required by State law which was in the holder's possession at the time of reporting. Additionally, for the late shipment of safe deposit boxes, State law<sup>6</sup> authorizes the Division to impose penalties in the amount of \$100 for late shipments of 30 days or less, and \$500 for each additional successive 30-day period, up to a maximum of \$4,000 per year. State law<sup>7</sup> requires holders who fail to report or pay or deliver unclaimed property within the prescribed time frame to pay the Division interest at the rate of 12 percent per annum on such property, or value thereof, from the date the property should have been paid or delivered.

Division policies and procedures<sup>8</sup> required Division staff to generate a report each week from UPMIS that listed all late holder reports submitted and the corresponding potential penalties that may be assessed. Division staff were to review the report and determine whether the penalties to be assessed were correct. According to Division management, upon examination of the report, staff sometimes identified instances in which a penalty would not be assessed, for example, if the submission represented a corrected report and the holder had submitted the original report on time.

During the period July 2023 through January 2025, the Division assessed to 1,768 holders of unclaimed property late reporting and payment and delivery penalties and interest totaling \$514,525. However, our examination of Division records for the period and inquiry of Division management disclosed that the Division's late holder reports had omitted an additional 86 holders of unclaimed property with reports and payments and deliveries made 1 to 461 days (an average of 66 days) past the due date, and the Division had not evaluated whether penalties and interest totaling \$531,667 should have been assessed. According to Division management, penalties and interest had not been evaluated or assessed due to a coding error in UPMIS that, since at least July 2018, inadvertently omitted holder reports submitted by reporting services from the weekly reports and the related potential penalty and interest calculation. The total amount of potential penalties and interest that was not evaluated for possible assessment by the Division due to the coding error during the period July 2018 through January 2025 was approximately \$803,155.

<sup>3</sup> Sections 717.117(5) and 717.119(1), Florida Statutes.

<sup>4</sup> Department Rule 69G-20.038(3), Florida Administrative Code, specifies that an extension may not exceed 60 days.

<sup>5</sup> Section 717.117(5), Florida Statutes.

<sup>6</sup> Section 717.119(6)(c), Florida Statutes.

<sup>7</sup> Section 717.134(4), Florida Statutes.

<sup>8</sup> Division Desktop Procedures, *Accounts Receivable*.

Absent adequate controls for ensuring the accuracy of penalty and interest calculations, the Division cannot ensure that late reporting and payment and delivery penalties and interest are assessed to holders of unclaimed property in accordance with State law and Department rules.

**Recommendation: We recommend that Division management enhance UPMIS controls to ensure that late reporting and payment and delivery penalties and interest are calculated correctly and assessed to holders of unclaimed property in accordance with State law and Department rules.**

## **Finding 2: Unclaimed Property Vault Controls**

Pursuant to State law,<sup>9</sup> upon the good faith delivery of unclaimed property, the Division is to assume custody and responsibility for the safekeeping of the property. The Division maintained a vault to secure unclaimed tangible property items from abandoned safe deposit boxes, such as watches, jewelry, coins, currency, stamps, historical items, and other miscellaneous articles, until they were either claimed by the owner or sold at auction. During the period July 2023 through January 2025, the Division received the contents of approximately 2,141 safe deposit boxes.

Although the Division established procedures for securing property in the unclaimed property vault, our audit procedures disclosed that certain controls related vault security need improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of revealing Division security procedures. However, we have notified Division management of the specific issues.

Effective controls for securing property in the unclaimed property vault enable the Division to ensure the safekeeping of the property in accordance with State law.

**Recommendation: We recommend that Division management improve certain unclaimed property vault security controls.**

## **Finding 3: Security Controls – User Authentication**

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit procedures disclosed that certain security controls related to UPMIS user authentication need improvement. We are not disclosing the specific details of the issues in this report to avoid the possibility of compromising UPMIS data and related IT resources. However, we have notified appropriate Department management of the specific issues.

Without appropriate security controls related to UPMIS user authentication, the risk is increased that the confidentiality, integrity, and availability of UPMIS data and related IT resources may be compromised.

**Recommendation: We recommend that Department management enhance certain security controls related to UPMIS user authentication to ensure the confidentiality, integrity, and availability of UPMIS data and related IT resources.**

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<sup>9</sup> Section 717.1201(1), Florida Statutes.

## Finding 4: IT Access Controls

Department of Management Services (DMS) rules<sup>10</sup> require State agencies to ensure that IT access privileges are removed when access to an IT resource is no longer required. Prompt action to deactivate unnecessary access privileges is essential to help prevent misuse of the access privileges. Division policies and procedures<sup>11</sup> required a departing employee's supervisor to notify the Division's access custodian of the employee's date of separation, and the access custodian was to remove the employee's UPMIS access on the separation date and notify the employee's supervisor that the access was removed.

To assess the adequacy of Division IT access controls, we inquired of Division management and examined Division records for the 20 Department employees with UPMIS user access privileges who separated from Department employment during the period July 2023 through January 2025. We found that user access privileges for 5 of the employees remained active 74 to 442 days (an average of 229 days) after the employees separated from Department employment. According to Division management, 4 of the 5 employees were not Division employees and the employees' supervisors had not timely notified the Division of the separations, and deactivation of the fifth employee's access had been overlooked until the Division conducted the January 2025 quarterly UPMIS access review.

Prompt deactivation of UPMIS user access privileges upon an employee's separation from Department employment reduces the risk of unauthorized disclosure, modification, or destruction of Division data and IT resources by former employees or others.

**Recommendation:** We recommend that Division management ensure that UPMIS user access privileges are immediately deactivated upon an employee's separation from Department employment.

## OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2025 through September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of Financial Services (Department) focused on the Division of Unclaimed Property (Division) and related information technology (IT) controls. For those areas, the objectives of the audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering

<sup>10</sup> DMS Rule 60G-2.003(1)(a)8., Florida Administrative Code.

<sup>11</sup> Division *UPMIS Access Control Business Process Procedure*.

responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.

- Examine internal controls designed and placed into operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Division policies and procedures, and other guidelines, and interviewed Division personnel to obtain an understanding of Division unclaimed property controls and related responsibilities.
- Inquired of Department management regarding whether the Department made any expenditures or entered into any contracts under the authority granted by an applicable state of emergency during the period April 1, 2022, through February 19, 2025.
- From the population of 4,215 expenditures, totaling \$1,310,785, made by the Department under the authority granted by an applicable state of emergency declaration during the period April 1, 2022, through February 19, 2025, examined Department records for 40 selected expenditures, totaling \$352,188, to determine whether the expenditures appeared reasonable

and necessary given the nature of the declared emergency and the statutory responsibilities of the Department.

- Obtained an understanding of selected Department information technology (IT) controls, assessed the risks related to those controls, evaluated whether selected controls for the Unclaimed Property Management Information Systems (UPMIS) and netDMS were in place, and tested the effectiveness of the selected controls.
- Examined Division records for the 20 Department employees with UPMIS user access privileges who separated from Department employment during the period July 2023 through January 2025 to determine whether the Division timely deactivated UPMIS user access privileges upon the employee's separation from Department employment.
- From the population of 19,443 non-zero value unclaimed property holder reports submitted to the Division during the period July 2023 through January 2025, examined Division records for 25 selected reports to determine whether the Division ensured that unclaimed property holders appropriately reported to the Division, notified apparent owners, paid or delivered unclaimed property to the Division, and the Division appropriately assessed penalties and interest for late reporting and payments and deliveries in accordance with State law and Department rules. We further examined Division UPMIS records and inquired of Division management related to the assessment of penalties and interest for 587 unclaimed property holder reports that were recorded in UPMIS as late during the period July 2018 through January 2025 to determine the amount of forgone penalties and interest due to a UPMIS coding error.
- From the population of 234 unclaimed property holder reporting accounts in UPMIS that the Division deactivated during the period July 2023 through January 2025, examined Division records related to 25 selected holder reporting accounts to determine whether the Division deactivated the accounts in accordance with State law, Department rules, and Division procedures.
- From the population of 155 unclaimed property holder penalties, totaling \$146,715, waived by the Division during the period July 2023 through January 2025, examined Division records for 19 selected waived holder penalties, totaling \$81,006, to determine whether the Division waived holder penalties in accordance with State law, Department rules, and Division procedures, and whether the reasons for the waivers were appropriately documented.
- From the population of 14,910 unclaimed property items sold for \$4,284,874 by the Division during the two auctions held in August 2023 and August 2024, examined Division records for 8,515 selected items sold for \$2,457,189 to determine whether the sales were appropriately supported and made in accordance with State law, and the proceeds were deposited into the Unclaimed Property Trust Fund.
- From the population of 79 sales of unclaimed securities, totaling \$100,072,880, during the period July 2023 through January 2025, examined Division records for 7 selected sales, totaling \$68,103,922, to determine whether the Division timely and appropriately sold securities remitted by unclaimed property holders and deposited the proceeds into the Unclaimed Property Trust Fund in accordance with State law and Department rules.
- Examined Division records related to the Division's November 2024, December 2024, and January 2025 reconciliations between UPMIS records and the custodial account maintained by the Division's contractor for securities remitted by unclaimed property holders to determine whether the reconciliations were appropriately performed and the Division sufficiently followed up on any discrepancies noted.
- Conducted a walkthrough of the Division's unclaimed property vault to observe whether the physical controls over unclaimed property inventory were sufficient to ensure security and accountability over unclaimed property and compliance with applicable State laws, Department rules, and Division policies and procedures.

- From the population of 2,141 safe deposit boxes with contents remitted to the Division from unclaimed property holders during the period July 2023 through January 2025 (for the 2023 reporting year), examined Division inventory records and observed the contents located in the Division's vault for 20 selected safe deposit boxes to determine whether the Division had appropriately accounted for and properly secured the contents of the safety deposit boxes.
- From the population of 19 monthly audits of random safe deposit box contents located in the Division's vault conducted by the Division during the period July 2023 through January 2025, examined Division records related to 4 selected monthly audits to determine whether the audits were sufficiently documented and properly conducted in accordance with Division policies and procedures, discrepancies were appropriately resolved, and the results were reported to Division management.
- From the population of 353,140 unclaimed property claims, totaling \$670,995,911, paid by the Division during the period July 2023 through January 2025, examined Division records related to 25 selected claims, totaling \$16,921,740, to determine whether the Division appropriately paid claims in accordance with State law, Department rules, and Division policies and procedures.
- From the population of 171 unclaimed property holder audits conducted during the period July 2023 through January 2025 by Division contractors, examined Division records for 18 selected audits to determine whether the Division ensured that contractors conducted unclaimed property holder audits in accordance with contractual provisions, State law, and Department rules.
- Analyzed Department accounting records related to the cash balance recorded in the Unclaimed Property Trust Fund during the period July 2023 through January 2025 to determine whether Division controls ensured that the cash balance did not exceed the statutory maximum.
- Observed, documented, and evaluated the effectiveness of selected Department processes and procedures for:
  - The administration of purchasing cards in accordance with applicable guidelines. As of January 31, 2025, the Department had 373 active purchasing cards.
  - The administration of the requirements of the Florida Single Audit Act. During the period July 2023 through December 2024, the Department expended \$35,973,334 for five State Financial Assistance programs.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## ***AUTHORITY***

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Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial 'S'.

Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

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**BLAISE INGOGLIA**  
CHIEF FINANCIAL OFFICER

February 27, 2026

Sherrill F. Norman, CPA  
Florida Auditor General  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Pursuant to section 11.45(4)(d), Florida Statutes, the enclosed response is provided for the preliminary and tentative audit findings included in the Auditor General's audit of the *Division of Unclaimed Property and Information Technology Controls*.

If you have any questions concerning this response, please contact Inspector General Dawn E. Case at (850) 413-3112.

Sincerely,

A handwritten signature in blue ink, appearing to read "Blaise Ingoglia". The signature is stylized with a large, sweeping flourish that extends to the right.

Blaise Ingoglia  
Chief Financial Officer

BI/dkc  
Enclosure

DEPARTMENT OF FINANCIAL SERVICES  
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## Auditor General Audit of The Division of Unclaimed Property and Information Technology Controls

### RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS

#### Finding 1: Holder Reporting Penalties and Interest

Due to an Unclaimed Property Management Information System (UPMIS) coding error, the Division did not always assess late reporting and payment and delivery penalties and interest to unclaimed property holders in accordance with State law and Department rules. Since July 2018, the unassessed penalties and interest totaled approximately \$803,155.

**Recommendation:** We recommend that Division management enhance UPMIS controls to ensure that late reporting and payment and delivery penalties and interest are calculated correctly and assessed to holders of unclaimed property in accordance with State law and Department rules.

**Response:** The Department concurs that, due to a coding error in UPMIS, a group of reports was not identified for review and validation for the possible assessment of penalty and interest (P&I). Following identification of the coding error, the defect was remediated by OIT in accordance with established SDLC protocols. The corrective action was validated through comprehensive testing and received all required stakeholder approvals prior to production release on September 23, 2025 (CRQ000000062479). This resolution enables DUP management to properly evaluate all identified late reports to verify if the assessment of P&I is correct per State Law, Department rules, and Division policy.

In addition, OIT and DUP are developing a daily batch report to serve as a quality control mechanism. This report will assist supervisors in identifying reports received after the annual due date for which no penalty or interest was assessed. The report will be reviewed to ensure that the absence of penalty or interest is appropriate. OIT anticipates completion of this enhancement within three months, subject to other ongoing departmental priorities and the completion of required testing.

**Expected Completion Date for Corrective Action:** 9/23/2025; 5/2026 for daily batch report.

#### Finding 2: Unclaimed Property Vault Controls

Division security controls related to the unclaimed property vault need improvement.

**Recommendation:** We recommend that Division management improve certain unclaimed property vault security controls.

**Response:** The Department concurs. Improvements have been implemented to existing procedures per audit recommendations.

**Expected Completion Date for Corrective Action:** 7/7/2025

## Auditor General Audit of The Division of Unclaimed Property and Information Technology Controls

### Finding 3: Security Controls – User Authentication

Certain security controls related to UPMIS user authentication need improvement.

**Recommendation:** We recommend that Department management enhance certain security controls related to UPMIS user authentication to ensure the confidentiality, integrity, and availability of UPMIS data and related IT resources.

**Response:** The Department concurs. The necessary security controls to ensure confidentiality, integrity, and availability of UPMIS data and related IT resources will be implemented through a code update to the security settings within the UPMIS system.

**Expected Completion Date for Corrective Action:** 03/31/2026

### Finding 4: IT Access Controls

Controls over employee access to UPMIS need improvement to help prevent any improper or unauthorized use of access privileges.

**Recommendation:** We recommend that Division management ensure that UPMIS user access privileges are immediately deactivated upon an employee's separation from Department employment.

**Response:** The Department concurs. The Division of Unclaimed Property has updated the UPMIS Access Control Business Process Procedures to strengthen internal controls and ensure the timely deactivation of UPMIS access for employees separating from the Department. The Division will distribute the updated procedures to the management team and reemphasize the requirements related to deactivating UPMIS access for separating employees. Additionally, in June 2025, the Division implemented enhanced UPMIS access controls that automatically inactivate a user's account if the user has not logged into UPMIS for 30 days.

**Expected Completion Date for Corrective Action:** 2/9/2026